

## Message Text

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ACTION STR-07

INFO OCT-01 AF-10 IO-13 ISO-00 STRE-00 OIC-02 JUSE-00  
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08  
FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00  
NSC-05 PA-01 CTME-00 AID-05 SS-15 ITC-01 TRSE-00  
ICA-11 SP-02 SOE-02 OMB-01 DOE-15 ARA-10 EA-10  
EUR-12 NEA-10 /168 W  
-----125329 051640Z /46

P 051556Z APR 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8006  
INFO AMEMBASSY ANTANANARIVO

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USMTN

ACTION STR

STR PASS CODEL

E.O. 11652: N/A  
TAGS: MTN, ETRD  
SUBJECT: US-MADAGASCAR MTN CONSULTATION

1. SUMMARY. US AND MADAGASCAR HELD CONSULTATION APRIL 4 TO REVIEW DEVELOPMENTS IN THE MTN AND TO INITIATE DISCUSSIONS ON OFFERS AND REQUESTS. THE U.S. DEL STRESSED THE IMPORTANCE OF RECEIVING MALAGASY REQUESTS AS WELL AS INDICATIONS OF POSSIBLE CONTRIBUTIONS ASAP IN LIGHT OF THE TIGHT MTN TIMETABLE. END SUMMARY.

2. US MTN DELS (DRAZEK AND HARVEY) MET WITH MALAGASY DEL (MAURICE) ON APRIL 4 TO DISCUSS THE MTN TIMETABLE AND TO INDICATE TO MADAGASCAR THE IMPORTANCE OF MAKING LIMITED OFFICIAL USE

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REQUESTS AND RESPONDING TO THE U.S. "INDICATIVE LIST" AS SOON AS POSSIBLE. U.S. DEL NOTED THAT MADAGASCAR HAD NOT PARTICIPATED IN THE MTN TO DATE AND THAT, IF THEY WERE INTERESTED IN MAKING REQUESTS, NOW IS THE TIME TO DO SO GIVEN THE JULY 15 DEADLINE FOR THE NEGOTIATIONS.

3. MADAGASCAR DEL EXPRESSED PLEASURE THAT HE WAS

FINALLY ABLE TO MEET BILATERALLY WITH THE U.S. ON THE MTN. HE NOTED THAT UNTIL RECENTLY HIS MISSION DID NOT HAVE SUFFICIENT PERSONNEL TO COVER THE MTN EFFECTIVELY, BUT HOPED THAT THEY WOULD FROM NOW ON. HE ADDED, HOWEVER, THAT HE WAS FORCED TO RELY ON HIS MINISTRY OF FOREIGN AFFAIRS FOR GUIDANCE AND THAT SO FAR IT HAS NOT TAKEN AN INTEREST IN THE MTN.

4. U.S. DREW ATTENTION TO THE US TARIFF OFFER AND POINTED OUT THAT IT WOULD VIRTUALLY ELIMINATE DUTIES ON PRODUCTS EXPORTED BY MADAGASCAR TO THE U.S. US NOTED THAT IN 1976 90 PERCENT OF U.S. IMPORTS FROM MADAGASCAR WERE DUTY FREE ON AN MFN BASIS AND THAT THE U.S. OFFER WOULD INCREASE THAT TO 93 PERCENT. THE REMAINING 7 PERCENT IS ACCOUNTED FOR ALMOST ENTIRELY BY SUGAR WHICH IS EXCEPTED FROM THE MTN, BUT WHICH IS DUTY-FREE UNDER GSP. U.S. DEL OBSERVED THAT FOR ONE ITEM (CERTAIN GRAPHITE FLAKES, TSUS 517.24) ON WHICH THE U.S. HAS OFFERED DUTY ELIMINATION MADAGASCAR IS PRINCIPAL SUPPLIER WITH OVER \$1 MILLION IN TRADE AND IS EXCLUDED FROM GSP TREATMENT. THE U.S. DEL POINTED OUT THAT, WHILE THE OFFER IS NOT CONDITIONED ON RECEIVING REQUESTS FROM MADAGASCAR, IT WOULD BE IN MADAGASCAR'S INTEREST TO INDICATE PRODUCTS OF PARTICULAR EXPORT INTEREST OR POTENTIAL. THIS COULD MAKE A DIFFERENCE IF THE U.S. IS FORCED AT SOME POINT TO WITHDRAW SOME OFFERS BECAUSE OF INSUFFICIENT RECIPROCITY FROM MAJOR SUPPLIERS. LIMITED OFFICIAL USE

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5. U.S. DEL ALSO EXPLAINED THAT THE U.S. IS NOT SEEKING RECIPROCITY FROM DEVELOPING COUNTRIES BUT THAT IT WOULD EXPECT SOME FORM OF "CONTRIBUTION" TO THE MTN. IN THIS CONTEXT, THE U.S. DEL CALLED ATTENTION TO THE U.S. "INDICATIVE LIST OF EXPORT INTERESTS" ADDRESSED TO MADAGASCAR RECENTLY. THIS LIST PROVIDED EXAMPLES OF CONTRIBUTIONS WHICH COULD BE MADE BY MADAGASCAR IN LINE WITH ITS STAGE OF DEVELOPMENT AND FINANCIAL NEEDS. (FYI TANANARIVE: THE LIST INCLUDES TWO PRODUCTS. (1) EX 3504.00 - VEGETABLE PROTEIN ISOLATES WHERE THE U.S. HAS INDICATED INTEREST IN A DUTY-FREE EX-OUT AND REMOVAL OF DISCRETIONARY LICENSING, QUOTAS, AND A 31 PERCENT IMPORTATION TAX. (2) 8423.01 EXCAVATING MACHINERY, ETC. ON WHICH THE U.S. INDICATED AN INTEREST IN THE LIBERALIZATION OF THE DISCRETIONARY LICENSING AND QUOTAS APPLIED, AND THE ELIMINATION OF THE 3 PERCENT IMPORTATION TAX. END FYI).

6. THE MALAGASY DEL RESPONDED THAT HE UNDERSTOOD U.S. POINTS AND WOULD RELAY THEM TO TANANARIVE IN HOPES OF FOCUSING THE ATTENTION OF HIS AUTHORITIES ON THE MTN.

HE DID NOT EXPRESS A VIEW ON THE LIKELIHOOD OF MALAGASY CONTRIBUTIONS BUT SAID THAT THE U.S. LIST WOULD BE SENT TO TANANARIVE. HE FELT IT MIGHT BE USEFUL TO HAVE DIRECT CONTACT BETWEEN US AND GOM OFFICIALS IN TANANARIVE TO STIMULATE GOM INTEREST IN MTN.

7. DRAFTED BY DRAZEK. CULBERT

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETINGS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
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